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SUBJECT: Zambia Pre-election Roundup

Ref: Lusaka 1101; and previous

¶1. (SBU) Summary: In the lead-up to the September 28 general elections, Zambia's presidential and parliamentary candidates are working hard to get their messages to voters. Although there is widespread criticism that the election campaigns are not issue-based, in campaign speeches and interviews with the media the three leading presidential candidates (ruling Movement for Multiparty Democracy's President Levy Mwanawasa, Patriotic Front president Michael Sata and United Democratic Alliance president Hakainde Hichilema) have established distinct political platforms. Mwanawasa promises to continue with the policies of his first term, emphasizing in his campaign speeches the need for good governance and economic growth. Sata is running on pledges to lower taxes, increase employment, and improve conditions for workers. Hichilema stresses his corporate background and says that he will take a business approach to development. While conveying generally positive messages, the candidates have also attacked each other personally in the media. In addition, the MMD asked the Electoral Commission of Zambia (ECZ) to disqualify Sata from the campaign, alleging electoral violations. The ECZ has so far resisted pressure from the MMD, saying that it will deal with the complaints according to its own procedures. End summary.

MMD: President Mwanawasa Promises Continued Growth

¶2. (U) Using the campaign slogan "For Growth and Empowerment," President Mwanawasa and the Movement for Multiparty Democracy (MMD) are highlighting the successes of its "New Deal" government over the last five years, arguing that his administration promoted good governance by attacking corruption, created jobs by attracting investment, and improved agricultural production by providing fertilizer and other support to farmers.

¶3. (U) The President puts particular emphasis on economic achievements. He reminds voters that it was his administration that brought Zambia to the Highly Indebted Poor Countries (HIPC) completion point, allowing the cancellation of more than 90 percent of the country's USD 7.2 billion debt. The President also highlights the record copper production of the mines privatized during his tenure, which, boosted by high copper prices has resulted in a stronger economy. Other economic bright spots trumpeted by the MMD include the appreciation of the kwacha, lower costs of living, and single digit inflation for the first time in nearly thirty years. The President recently presided over the opening of new copper mines at Kansanshi, and more recently, Lumwana, in North Western Province, which he described as "a new Copperbelt."

¶4. (U) Mwanawasa also promises voters that, during a second term, his government will continue its program to improve Zambia's infrastructure, particularly schools, health institutions, and the road network. He regularly notes that his government has recently obligated money for these purposes. For instance, in connection with the opening of Lumwana and Kansanshi Mines, the government committed to a USD 46 million road project in North Western Province, which is already underway. In addition, major road

construction projects are underway in Eastern and Northern Province.

In the agricultural sector, Mwanawasa highlights government-sponsored farming projects in Northern and Western Provinces where farmers have been offered incentives, including fertilizers at half the normal retail price, to boost agricultural production.

PF: Michael Sata Vows to Cut Taxes, Improve Services

15. (SBU) Michael Sata, the 64-year-old leader of the Patriotic Front (PF), is running a populist campaign, pledging to voters that he will lower taxes, improve health care, create jobs for Zambians, and offer pensions for all retirees. Sata's rhetoric resonates with lower-paid and low-skilled workers, who believe that a Sata administration will favor labor by increasing salaries and generally improving conditions of service. Reinforcing this belief, Sata promises miners on the Copperbelt that they will be exempt from paying for water and electricity, as was the case during the days of the government-owned Zambia Consolidated Copper Mines (ZCCM). Sata tells workers that the mining companies are making huge profits and should pay for workers' utilities.

16. (SBU) Sata also promises to improve health care and housing. A former Minister of Health in the Chiluba era, Sata is remembered by many Zambians for transforming the University Teaching Hospital into a clean and efficient health provider. Drawing upon his ministerial experience, Sata pledges to address issues that have plagued the Ministry of Health, including the provision of quality health services in hospitals, clinics and other health centers, and the establishment of attractive and competitive salaries and better conditions of service for doctors, nurses, and other health staff. With regard to housing, Sata has pledged to demolish the poor housing settlements commonly known as "shanty compounds" and replace

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them with more dignified communities. It is unclear where Sata plans to find the money to fund these projects.

Sata on Foreign Investors

17. (SBU) Sata has recently gained notoriety -- and support from some quarters -- for his position on foreign investors and entrepreneurs, arguing that foreign investment should not come at the expense of forcing local Zambian entrepreneurs out of business. In at least one campaign speech, Sata reportedly threatened to expel foreigners who were not contributing to the welfare of Zambians. Sata singled out for criticism Indian, Lebanese, and Chinese investors, a number of whom have moved into recently-built markets, which were originally expected to be occupied by Zambian businesses. Sata has also exploited the perception of many Zambians that foreign investors keep their Zambian workers in "slave conditions," reinforced by events such as a much-publicized recent incident at a Chinese-run coal mine in Southern Province where workers were discovered to be toiling in hazardous conditions without adequate protective clothing.

MMD Takes on Sata

18. (SBU) Although President Mwanawasa appears to enjoy more popular support than Sata, the MMD has nevertheless been steadily attacking the PF leader on a number of fronts. Most notably, an MMD party leader demanded that ECZ Chairperson Justice Irene Mambilima disqualify Sata from the campaign. In an August 22 letter to Justice Mambilima, former Minister of Sport, Youth, and Child Development George Chulumanda, who is also a member of the MMD national campaign committee, argued that Sata should be disqualified because he falsely claimed in his mandatory financial statement to the ECZ that Chulumanda owed him 350 million kwacha (USD 87,500), although the debt is in dispute.

19. (SBU) The MMD has also criticized Sata repeatedly for his statements regarding foreign investors (see para 7). Following a complaint from the MMD regarding Sata's threats to expel non-Zambian

investors, ECZ Chairperson Mambilima asked Sata to come to the ECZ to explain his comments. When Sata appeared at the gates of the ECZ accompanied by a large group of boisterous supporters, Justice Mambilima refused to see him. The ECZ has also demonstrated institutional independence in responding to the MMD complaints, indicating that it will not be pressured, but will deal with the issues according to its own procedures.

#### UDA: Hichilema Takes a Business Approach to Development

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¶10. (SBU) United Democratic Alliance (UDA) candidate Hakainde Hichilema continues to emphasize to voters his background as a corporate leader, arguing that he is uniquely qualified to manage the Zambian economy. Hichilema is telling voters that by creating an environment in Zambia that is friendly to business and investors, his administration will be able to create jobs and generate tax revenue for the government. Hichilema has also emphasized the importance of social stability in his campaign messages, preaching the need to promote inclusiveness, and embrace all regions and tribal groupings under the "One Zambia, One Nation" national motto popularized by First President Kenneth Kaunda (who is an unabashed UDA supporter). The 44-year-old Hichilema's message seems to appeal to university students, businessmen, and manufacturers, as well as some farmers, but this is a fairly small segment of the electorate.

#### Hichilema Questioned

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¶11. (SBU) Although his message is positive, the politically green Hichilema has made some missteps that call into question his ability to run the country. Of particular concern to many is the tribalism that seems to have enveloped Hichilema's United National Development Party, and which may have extended to the UDA coalition. After the UNDP convention that elected Hichilema as president split largely along tribal lines, Hichilema reinforced the perception of tribalism within the UDA coalition by presiding over the alliance's selection of a parliamentary slate dominated by Tongas, the Southern Province tribal group that forms Hichilema's support base (Reftel).

¶12. (SBU) In addition to his public commitment to social harmony, opponents have also questioned Hichilema's integrity as a businessman. Most notably, former UPND Acting President Sakwiba Sikota, who formed an alliance with Sata's PF (Reftel) after dropping out of the UPND, alleged that much of Hichilema's 23 billion kwacha net worth (USD 5.75 million), was gained improperly as a result of his role in the privatization of Zambian state assets. Hichilema is known to have participated in negotiating the sale of assets such as Luanshya Mine, Lima Bank and the Intercontinental Hotel in Livingstone. Sikota's accusations, even

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if unfounded, may strike home with many Zambians who believe that they were cheated by privatization.

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